

## **GENERAL QUESTIONS**

**Question:** Can we use Department of Energy (DOE) Weatherization Assistance funding for purposes of innovative projects.

Answer: No. These funds are dedicated for weatherization services and must follow DOE guidelines and eligibility requirements.

**Question:** Can we leverage DOE funding for the Solar for All California projects.

Answer: Yes, only to the extent that the funds are being used to weatherize the home. They cannot be used to train staff to install PV panels or be used for the actual installation of PV panels.

**Question:** Can we start hiring now, even though we have not received the DOE allocation?

Answer: Agencies can use active LIHEAP or DOE contracts to hire staff. When the DOE stimulus contract is fully executed, then agencies can elect to transition new hires to work under that contract. Keep in mind that field crew performing work under the DOE stimulus contract, will need to be paid prevailing wages.

**Question:** Can we purchase equipment for our subcontractors?

Answer: Yes, as long as you ensure that the equipment is retained as the agency's property.

**Question:** Are we allowing the installation of solar systems as an allowable measure under DOE?

Answer: The DOE program only allows states to install solar hot water heaters. Currently, CSD's program does not allow solar hot water heaters as a measure. However, CSD is in the process of developing installation and policy standards to support the successful integration of solar hot water heaters under the DOE WAP. We hope to accomplish this task over the next 4 to 6 months. Agencies should be aware that solar hot water heater installation is subject to the NEAT energy audit requirements.

**Question:** Is there opportunity to add additional measures?

Answer: Yes. DOE regulation sets the standards for acceptable measures and measure materials. The approved installation for many of these measures is determined through the use of the NEAT Energy Audit on a per individual dwelling. CSD will evaluate the list of acceptable measures to identify those we have not provided in the past and will undertake efforts to develop the needed technical standards to support the offering of these measures under the DOE

WAP, hopefully to occur within 4 to 6 months after the implementation of the Recovery Act Funding.

**Question:** Is CSD going to quantify the energy savings resulting from weatherization services.

Answer: CSD is seeking further guidance from DOE on this potential requirement.

**Question:** Do we have to submit our procurement policies if we have approved policies on file with CSD?

Answer: Yes. CSD will monitor agency's procurement practices to ensure they are following their policies and that the procurement was consistent with OMB requirements. Additionally, all equipment and vehicle purchases using DOE funds must be approved by CSD and DOE.

**Question:** Is a D-65 license required under the DOE program?

Answer: Not at this time.

**Question:** Is CSD going to continue using the NEAT audit program?

Answer: We plan on using NEAT until we have adopted a new audit tool. CSD is in the process of conducting an analysis. Based on this analysis, the department will select the audit tool that best carryout the energy audit of low-income residential dwelling based on the state's diverse housing stock, energy fuel usage, climate and geography. In addition, the selected energy audit tool will be used to determine and renew the program's Priority Measure List. We hope to have a new tool identified within the next several months.

## **PREVAILING WAGES**

**Question:** Are we subject to the federal or state prevailing wage requirements?

Answer: The DOE stimulus funds are subject to the federal prevailing wages only.

**Question:** Do we have to pay prevailing wages to crews that deliver LIHEAP and DOE weatherization services at the same time?

Answer: DOE WAP is the only funding source that expressly requires paying prevailing wages at this time. However, federal and state labor law dictate salary and wage issues. Because each local agency has a different business model for job classifications and wages, you should consult your labor attorney for guidance in your specific situation.

**Question:** In preparing the DOE local plan, should we assume that the field supervisor should be paid prevailing wage?

Answer: Yes.

**Question:** Will we be required to certify that payroll meets the prevailing wage requirements?

Answer: Yes.

**Question:** Will CSD develop a new labor rate that takes into consideration prevailing wages?

Answer: CSD will evaluate the impacts of ARRA requirements for prevailing wage, accountability and transparency to existing reimbursement policies utilized under both the LIHEAP and DOE program. The department will consider all options for adapting the existing weatherization reimbursement model to compliance with the ARRA requirements for fiscal accountability and reporting.

**Question:** Has there been some discussion at the federal level that the amount of jobs produced will be impacted by the prevailing wage requirement?

Answer. Yes, there has been consideration; however, the federal government elected to implement the prevailing wage requirements. DOE acknowledges that the applicability of prevailing wage impact numbers for created jobs and weatherized dwelling units.

**Question:** Is a sole proprietor subcontractor subject to prevailing wages? If so, do they have to certify that they paid themselves prevailing wages?

Answer. Yes, they are subject to prevailing wages; and they will have to certify that they have received prevailing wages.

**Question:** Currently, subcontractor's invoice for services is based on their established rates that may be different than CSD's labor rates. Does the subcontractor have to seek reimbursement at the labor rate established for my agency?

Answer: No, the labor rate structure was developed specifically for your agency. However, keep in mind that the subcontractor is subject to prevailing wages which may or may not be higher than the labor rate.

**Question:** Is CSD required to ensure that prevailing wage is applied?

Answer: Yes, we will require wage certification from both the agency and the subcontractor prevailing wages are being paid in accordance with the Davis Bacon Act.

**Questions:** How should we determine the job classification and wage determination for the purposes of responding to the DOE Local Plan?

Answer: Please use the wage information that is included with the Attachments to DOE ARRA Local Plan at the link below:

<http://www.csd.ca.gov/Contractors/Contractors/Contractors'%20Recovery%20Act%20Docs.aspx?PageView=Shared>

CSD recognizes that these rates may adjust once DOE provides us with specific wage determine information. Once these rates are released, agencies will have the opportunity to amend their plans. Please refer to the DOE Local Plan Instructions for further information.

**Question:** How do we reconcile piece rate with hourly wage?

Answer: Agencies that pay piece rate will likely have to revisit how they compensate those employees to ensure that they are being paid the prevailing wage rates.

**Question:** Can we meet the prevailing wage requirement for piece rate, if we can demonstrate that the amount paid equals or exceeds prevailing wages over a period of time?

Answer: Prevailing wages is a requirement of this program, so it might require agencies to restructure their compensation to ensure compliance.

**Question:** Do we have to pay prevailing wages to California Conservation Corp members who perform weatherization services?

Answer: Yes, if you pay the Corp member's labor using DOE funds. Absent further guidance, the most conservative way to interpret is that all DOE stimulus funds are subject to the federal prevailing wage requirements. However, if the Corp member is being paid for his/her labor from other funding sources that do not impose the prevailing wage requirement, then their labor is exempted from the prevailing wage requirement under DOE. In that scenario, your agency should not pay or reimburse the Corps for any costs of the program from DOE WAP funding, to avoid the perception that DOE WAP funds are indirectly supporting the wages for the construction labor.

**Question:** Is CSD going to restructure the fixed fees to accommodate the prevailing wage?

Answer: CSD will evaluate the impacts of ARRA requirements for prevailing wage, accountability and transparency to existing reimbursement policies utilized under both the LIHEAP and DOE program. The department will consider all options for adapting the existing weatherization reimbursement model to compliance with the ARRA requirements for fiscal accountability and reporting

## **TRAINING QUESTIONS**

**Question:** How are we going to meet training requirements with only two training location?

Answer: The PG&E and San Bernardino Training centers are committed to increasing the number of training sessions to respond to the increased need for training. Additionally, CSD is striving to standardized its training curriculum to support the delivery through technical job training centers, community colleges, and on-line job.

**Question:** Is PG&E going to upgrade their equipment?

Answer: It is unknown at this time; however, CSD is going to evaluate needed improvements along with standardizing the training curriculum so training is delivered consistently between the two training centers.

**Question:** Will subcontractors have to meet the existing training requirements?

Answer: Yes, with the exception of subcontractors who possess a specialty license to perform specialty work such as HVAC work. Subcontractors who perform basic weatherization and only retain a General B license will have to meet the training requirements.

**Question:** Will training be provided for mechanical ventilation since this is a new measure?

Answer: Yes. New standards will be developed soon.

**Question:** Is there going to be training for the NEAT energy audit.

Answer: CSD does not have plans to provide training on the NEAT energy audit since we plan on adopting a new audit tool in the next few months. Once the new audit tool is determined, CSD plans on providing training. In the interim, if the DOE Local Plans indicate there is a need for NEAT energy audit training prior to implementing the new audit tool, then CSD can offer the NEAT audit training.

**Question:** In the local plan, what level of disclosure is expected from public agencies with respect to audit findings and legal proceedings?

Public agencies must disclose audit findings on public assistance programs that serve a population similar to or the same as the LIHEAP and DOE programs. In addition, public agencies shall disclose any identified management deficiencies identified in an annual audit review or program monitoring specific to the administering agency of LIHEAP and DOE programs that question an agency's ability to successfully administer and maintain accountability over DOE WAP funding.

Public entities receiving more than \$500k in federal grants are required to complete an annual audit in accordance with the provisions of OMB Circular A-133 for nonprofit and public agencies. Although, the annual audit may not specifically cover the LIHEAP and DOE programs, agencies are required to provide the aforementioned information on audit findings and management deficiencies or may opt to provide copies of these annual audit reports and management letters covering the last 3-years.

**Question:** Are public agencies exempt from prevailing wage requirements?

Answer: In absence of official guidance from DOE regarding the applicability of Prevailing Wage Requirements, it is unknown whether public agencies are exempt from this requirement. The application of prevailing wage would require public wage negotiations that could potential delay the implementation of the program by 6 to 9 months. As an alternative, public agencies should consider the alternative for outsourcing weatherization service delivery to support the timely implementation of ARRA funding and meeting of critical performance benchmarks for program and fiscal activity.